

# City of Detroit

## CITY COUNCIL

IRVIN CORLEY, JR.  
DIRECTOR  
(313) 224-1076

FISCAL ANALYSIS DIVISION  
Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 218  
Detroit, Michigan 48226  
FAX: (313) 224-2783  
E-Mail: [irvin@cnci.ci.detroit.mi.us](mailto:irvin@cnci.ci.detroit.mi.us)

ANNE MARIE LANGAN  
DEPUTY DIRECTOR  
(313) 224-1078

TO: Krystal A. Crittendon, Corporation Counsel  
Law Department

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 27, 2009

RE: 2009-2010 Budget Analysis

24.

Attached is our budget analysis regarding your department's budget for the upcoming 2009-2010 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, April 29, 2009 at 10:30 am**. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Joseph Harris, Chief Financial Officer  
Pamela Scales, Budget Director  
Donna McAlister, General Manager - Budget  
Arese Robinson, Mayor's Office

## Law Department (32)

### FY 2009-10 Budget Analysis by the Fiscal Analysis Division

#### Summary

The Law Department is a General Fund agency. The recommended 2009-10 Budget totals \$19.8 million, a decrease of \$3.0 (13.0% decrease) from the current fiscal year. The departmental revenues are decreasing by \$108,927 (4.0% decrease). The department's net tax cost is \$17.2 million, which is a decrease of \$2.8 million (14.2% decrease).

#### 2008-09 Surplus/(Deficit)

The Administration anticipates that the Law Department will end up the current fiscal year with a surplus of \$1.3 million. The department surplus is the net of an estimated appropriation surplus of \$2.1 from vacancies, and a revenue deficit of \$0.8 million.

#### Overtime

The department has an overtime budget of \$26,791 in the current fiscal year. As of March 31, 2009, the department spent \$79,438 in overtime, 296.5% of the budget. The recommended overtime budget for 2009-10 remains at \$26,791.

#### Personnel and Turnover Savings

The Mayor recommends deleting a net of 24 positions (19 vacancies and 5 layoffs) in 2009-2010 budget.

The Mayor is not recommending any turnover savings for the Law Department for fiscal year 2008-09.

Following is information by appropriation comparing current FY 2008-09 positions, as of March 31, 2009 filled positions and FY 2009-10 recommended positions.

| <u>Appropriation/Program</u>                 | <u>Redbook<br/>Positions<br/>FY 2008-09</u> | <u>Filled<br/>Positions<br/>3/31/2009</u> | <u>Mayor's<br/>Budget<br/>Positions<br/>FY 2009-10</u> | <u>Over/(Under)<br/>Actual to<br/>08/09 Budget</u> | <u>Mayor's<br/>Recommended<br/>Turnover</u> |
|--|---|---|--|--|---|
| <b>Law Department (32):</b>                  |   |   |  |  |   |
| <b>00527 Administration &amp; Operations</b> | <b>148</b>                                  | <b>125</b>                                | <b>124</b>   | <b>(23)</b>  | <b>\$ -</b>                                 |
| <b>11544 Risk Management</b>                 | <b>0</b>                                    | <b>0</b>                                  | <b>0</b>   | <b>0</b>   | <b>\$ -</b>                                 |
| 32XXXX Leave of Absence                      | 0   | 2   | 0  | 2  | \$ -  |
| 32XXXX Unmatched Positions                   | 0   | 0   | 0  | 0  | \$ -  |
| <br><b>TOTAL</b>                             | <br><b><u>148</u></b>                       | <br><b><u>127</u></b>                     | <br><b><u>124</u></b>                                  | <br><b><u>(21)</u></b>                             | <br><b><u>\$ -</u></b>                      |

## Professional and Contractual Services

### **Law (32)**

| <u>Budgeted Professional and Contractual Services by Activity</u> | <u>FY 2008-09<br/>Budget</u> | <u>FY 2009-10<br/>Recommended</u> | <u>Increase<br/>(Decrease)</u> |
|---|------------------------------|-----------------------------------|--------------------------------|
| Administration  | \$ 1,693,771                 | \$ 1,666,759                      | \$ (27,012)                    |
| Legislative Liaison   | <u>900,000</u>               | <u>900,000</u>                    | <u>-</u>                       |
| <b>Total</b>  | <b><u>\$ 2,593,771</u></b>   | <b><u>\$ 2,566,759</u></b>        | <b><u>\$ (27,012)</u></b>      |

### **Professional and Contractual Services and Budgeted FTE's of the Law Department 2002-03 through 2009-10**

|                                  | <u>FY 2002-03<br/>Budget</u> | <u>FY 2003-04<br/>Budget</u> | <u>FY 2004-05<br/>Budget</u> | <u>FY 2005-06<br/>Budget</u> | <u>FY 2006-07<br/>Budget</u> | <u>FY 2007-08<br/>Budget</u> | <u>FY 2008-09<br/>Budget</u> | <u>FY 2009-10<br/>Recommended</u> |
|----------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------------|
| <b>Law Dept.</b>                 |                              |                              |                              |                              |                              |                              |                              |                                   |
| <b>Contracts</b>                 | \$4,971,701                  | \$2,868,561                  | \$2,328,823                  | \$1,898,480                  | \$3,005,963                  | \$2,565,234                  | \$2,593,771                  | \$2,566,759                       |
| <i>Percentage<br/>Change +/-</i> | (25.2%)                      | (57.6%)                      | 18.8%                        | (18.4%)                      | 58.3%                        | (14.6%)                      | 1.1%                         | (1.0%)                            |
| <b>FTE's</b>                     | 217                          | 227                          | 188                          | 146                          | 139                          | 142                          | 148                          | 124                               |
| <i>Percentage<br/>Change +/-</i> | (0.9%)                       | 4.6%                         | (17.2%)                      | (22.3%)                      | (4.7%)                       | 2.1%                         | 4.2%                         | (16.2%)                           |

## Significant Funding by Appropriation

| <u>Appro.</u> | <u>Program</u>              |   |
|---------------|-----------------------------|---|
| 00527         | Administration & Operations | <p>The program decreases by a net \$3.0 million primarily for the following reasons:</p> <ul style="list-style-type: none"> <li>Salaries decrease by \$2.2 million. The decrease includes the elimination of twenty-four positions.</li> <li>Employee benefits and pensions go down \$0.8 million.</li> </ul> |

## Issues and Questions

1. In reviewing the budgetary history of the Law Department as presented in the above chart comparing staff levels and professional & contractual services between 2003-04 through the recommended budget, both staff levels and contractual services are at or near the lowest point over the eight year comparison. If additional funding were identified for the Law Department, would your recommendation be to restore staff positions or increase the contractual services amount. Why?

2. Explain the high level of overtime use in the current year compared to budget, nearly 300% over budget. The recommended budget includes the same amount for overtime as the current budget. How will control of overtime improve to remain within the recommended budget as compared to the current year.
3. What responsibility do the Law Department attorneys have to ensure that payment of settlements and judgments against the City are made in a timely fashion? In light of the problems with payments being made in a timely fashion as reported by the media, has there been, or will there be a change made in the attorney's responsibility? What improvements have been or will be made to ensure timely payments? What problems, if any does the Law Department staff encountered in ensuring timely payments?
4. On page D87 of the Executive Budget Summary the statement is "The department has established the appropriate supervisory staff ratios as a result of a department-wide workforce analysis". Provide Council with the ratios that have been established. Include any relevant industry benchmarking to support the ratios being used. Show how the reduction in 24 positions conforms to the established ratio.
5. In multiple areas of the documentation supporting the recommended budget reference is made to LegalEdge, Worldox, a document management system, electronic filing of pleadings and documents, and the need for digitization of documents. Update Council on the status of these improvements at this point. What progress is planned as part of the recommended budget? When is it anticipated that the Law Department record handling etc. will be up to date?
6. Are there any suggestions can you present to improve the overall risk management process of the City of Detroit? What will it take to implement these suggestions?

/JPG/ss